



FEDERAL ELECTION COMMISSION  
Washington, DC 20463

**MEMORANDUM**

**TO:** THE COMMISSION  
STAFF DIRECTOR  
GENERAL COUNSEL  
FEC PRESS OFFICE  
FEC PUBLIC DISCLOSURE

**FROM:** COMMISSION SECRETARY *MWR*

**DATE:** APRIL 20, 2005

**SUBJECT:** COMMENT: DRAFT AO 2005-02

Transmitted herewith is a timely submitted comment by Mr. Neil Reiff regarding the above-captioned matter.

Proposed Advisory Opinion 2005-02 is on the agenda for Thursday, April 21, 2005.

**Attachment**

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April 19, 2005

RECEIVED  
FEDERAL ELECTION  
COMMISSION  
2005 APR 20 A 10:44

Lawrence H. Norton, Esq.  
General Counsel  
Federal Election Commission  
999 E Street, NW  
Washington, DC 20463

Re: Draft Advisory Opinion 2005-02

Dear Mr. Norton:

I am writing to comment on Draft Advisory Opinion 2005-02. I am providing this comment on my own behalf based upon my background as counsel to Democratic state and local party committees and I am not providing this comment on the behalf of any particular client.

Upon careful review of the draft opinion, it appears as though the Draft's approach to the contribution limits for local party committees is inconsistent with public statements provided by the Commission to state and local party committees as to the appropriate contribution limit to local party committees. Specifically, the Draft Opinion appears to state that local party committees may only accept (into its federal account or as federally permissible funds) and federal candidates or officeholders may solicit up to \$5,000 per calendar year (see Page 10, Line 3 of the Draft Opinion). However, during training conferences, as well as in its own party guide, the Commission has stated that county party committees have a \$10,000 per calendar year federal contribution limit. Attached, please find materials from a recent FEC Training Conference (March 15-17, 2005) as well as from the FEC's Party Guide (p.27) that appear to indicate that the Commission interprets the current statute to permit contributions of up to \$10,000 per calendar year to local party committees.

Local committees have justifiably relied upon these statements by the Commission for the proposition that they may legally accept up to \$10,000 per calendar year, per person, into its federal accounts, as well as, consequently, the fact that federal officeholders or candidates may solicit up to \$10,000 from any person (excluding multicandidate committees) in a calendar year into the non-federal account of a local party committee. Thus, the Draft Opinion, without explanation, appears to reverse course on the appropriate contribution limit to local party committees from \$10,000 to \$5,000. The Commission should reaffirm its publicly stated view since the passage of the Bipartisan Campaign Reform Act of 2002 that the applicable federal limit for local party committees is, in fact, \$10,000 per calendar year.

If you have any questions, feel free to contact me at (202) 479-1111.

Sincerely,

A handwritten signature in black ink, appearing to be 'NR' followed by a stylized flourish.

Neil Reiff

Party Rules, Part I  
Objectives and Outline  
Tab #3 - Party

1. Levin funds comply with some of the limits and prohibitions of the Act and are also governed by state law.
2. Used to pay for some Federal Election Activities (FEA) – specific activities defined by BCRA.

### III. Deposits into Federal Account (Guide, p. 4)

All funds deposited into any federal account must meet one of the following conditions:

#### A. Designation for Federal Account

Funds must be expressly designated or solicited for use in connection with federal elections; or

#### B. Contributors Informed

Contributors must be informed that contribution is subject to federal limits and prohibitions. 11 CFR 102.5

### IV. Sources of Support for the Party's Federal Account

#### A. New Contribution Limitations (Guide, p. 13)

1. To each national party committee
  - a) \$26,700/year from individuals and non-multicandidate PACs. (Note: Indexed for inflation)
  - b) \$15,000/year from multicandidate PACs.
2. To all state and local party committees within a state
  - a) \$10,000/year from individuals and non-multicandidate PACs.
  - b) \$5,000/year from multicandidate PACs.

#### B. Prohibited Sources of Contributions (Federal Account) (Guide, pp. 11-12)

1. Corporations
2. Labor organizations
3. Federal government contractors
4. Contributions in name of another
5. Cash over \$100
6. Anonymous over \$50

#### C. Prohibited Sources of Contributions (Federal and Nonfederal Accounts) (Guide, pp. 11-12)

1. Foreign nationals
2. Federally chartered corporations

## Contribution Limits for 2005-06

Donors	Recipients				Special Limits
	Candidate Committee	PAC <sup>1</sup>	State, District and Local Party Committee <sup>2</sup>	National Party Committee <sup>3</sup>	
Individual	\$2,100* per election <sup>4</sup>	\$5,000 per year	\$10,000 per year combined limit	\$26,700* per year	Biennial limit of \$101,400* (\$40,000 to all candidates and \$61,400 <sup>5</sup> to all PACs and parties)
State, District and Local Party Committee	\$5,000 per election combined limit	\$5,000 per year combined limit	Unlimited transfers to other party committees		
National Party Committee	\$5,000 per election	\$5,000 per year	Unlimited transfers to other party committees		\$37,300* to Senate candidate per campaign <sup>6</sup>
PAC Multicandidate <sup>7</sup>	\$5,000 per election	\$5,000 per year	\$5,000 per year combined limit	\$15,000 per year	
PAC Not Multicandidate	\$2,100* per election <sup>8</sup>	\$5,000 per year	\$10,000 per year combined limit	\$26,700* per year	

\* These limits are indexed for inflation in odd-numbered years.

<sup>1</sup> These limits apply both to separate segregated funds (SSFs) and political action committees (PACs). Affiliated committees share the same set of limits on contributions made and received.

<sup>2</sup> A state party committee shares its limits with local and district party committees in that state unless a local or district committee's independence can be demonstrated. These limits apply to multicandidate committees only.

<sup>3</sup> A party's national committee, Senate campaign committee and House campaign committee are each considered national party committees, and each have separate limits, except with respect to Senate candidates — see Special Limits column.

<sup>4</sup> Each of the following is considered a separate election with a separate limit: primary election, caucus or convention with the authority to nominate, general election, runoff election and special election.

<sup>5</sup> No more than \$40,000 of this amount may be contributed to state and local parties and PACs.

<sup>6</sup> This limit is shared by the national committee and the Senate campaign committee.

<sup>7</sup> A multicandidate committee is a political committee that has been registered for at least six months, has received contributions from more than 50 contributors and — with the exception of a state party committee — has made contributions to at least five federal candidates.

<sup>8</sup> A federal candidate's authorized committee(s) may contribute no more than \$2,000 per election to another federal candidate's authorized committee(s). 2 U.S.C. §432(e)(3)(B).